

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2409 - HB 2452

March 5, 2014

SUMMARY OF BILL: Creates a rebuttable presumption against retroactive support when one of the child's parents can show that the other parent made little or no effort to notify the parent of the child's existence, seek to establish parentage, or involve the parent in the child's life; or the other parent actively concealed the existence of the child from the parent. Reduces, from 12 percent to 5.25 percent, the interest rate on unpaid child support that is in arrears.

Requires the court to consider, at most, the income earned by each parent during the parent's primary full-time employment when determining a party's income for purposes of child support calculations. Prohibits any income earned above and beyond 40 hours a week or any gifts received by a parent from being considered income for purposes of the calculation. Requires the court to deduct 100 percent of court ordered child support for another child from the parent's income if such support is not in arrears. Prohibits a non-custodial parent from being required to pay a higher obligation of child support due to having custody of a child for less time than the custodial parent unless the custodial parent can provide certain evidence to show the non-custodial parent's lack of custodial time with the child. Prohibits a parent from the obligation to pay for any extraordinary expense that arises outside the child support obligation determined by the court, unless the parent has shared in the decisions-making authority that led to the extraordinary expense.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Other Fiscal Impact – The provisions of the bill conflict with federal law and could jeopardize the federal Title IV-D and Title IV-A federal funding. The Department of Human Services receives approximately \$219,524,000 in federal grant funds for the child support enforcement and TANF programs.

Assumptions:

- The provisions of the bill may reduce the amount of child support a private party receives. Any fiscal impact due to the reduction in child support will be borne by the private party and will not have an impact on state or local government.

SB 2409 - HB 2452

- According to the Administrative Office of the Courts, any affect the provisions of the bill have on the court system will not be significant and can be accommodated within existing resources.
- According to the Department of Human Services (DHS), any increase in expenditures incurred by staff time required to reformulate the child support guidelines and worksheet can be accommodated within existing resources.
- According to DHS, the provisions of the bill conflict with federal law 45 CFR 302.56 (c) which requires state child support guidelines to take into consideration all earning and income of the noncustodial parent. Failure to comply with federal child support guidelines jeopardizes federal funding for the Title IV-D (child support) programs and Title IV-A (TANF) programs. The department receives a Child Support Enforcement grant of approximately \$28,000,000 and a TANF block grant of approximately \$191,524,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" and last name "Geise" clearly distinguishable.

Lucian D. Geise, Executive Director

/kml